

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY**

W-02003A



Pillito Water Users Association  
P.O. Box 668  
Pillito, AZ 85654

**RECEIVED**

JUN 02 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

ANN04	03
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entered  
6-2-06  
RF

## COMPANY INFORMATION

**Company Name (Business Name)** Rillito Water Users Association

**Mailing Address** P.O. Box 668

(Street)

Rillito

(City)

AZ

(State)

85654

(Zip)

(520) 682-3950

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Email Address** N/A

**Local Office Mailing Address** Same as above.

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** \_\_\_\_\_

Jesse McKnight

(Name)

President

(Title)

P.O. Box 651

(Street)

Rillito

(City)

AZ

(State)

85654

(Zip)

(520) 682-4240

N/A

N/A

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** N/A

**On Site Manager:** Jesse McKnight, President

(Name)

P.O. Box 651

(Street)

Rillito

(City)

AZ

(State)

85654

(Zip)

(520) 682-4240

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email**

**Address** N/A

☐ Please mark this box if the above address (es) have changed or are updated since the last filing.

**Statutory Agent:** John Arnold (PPEP Inc Rural Operations Office)

(Name)

1621 N. Clifton Road or 806 E. 46<sup>th</sup> Street

(Street)

Tucson

(City)

AZ

(State)

85745/ 85713

(Zip)

(520) 792-5700

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address (es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county (ies) in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME: Rillito Water Users Association**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	1750		1750
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	2824	141.20	2682.80
311	Pumping Equipment	23400	1170	22230.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3593	179.65	3413.35
331	Transmission and Distribution Mains	20374	1018.70	19355.30
333	Services			
334	Meters and Meter Installations	18603	930.15	17672.85
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>70544</b>	<b>3439.70</b>	<b>67104.30</b>

This amount goes on the Balance Sheet Acct. No. 108



**COMPANY NAME: Rillito Water Users Association**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	1750	0	0
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	2824	5%	141.20
311	Pumping Equipment	23400	5%	1170
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3593	5%	179.65
331	Transmission and Distribution Mains	20374	5%	1018.70
333	Services			
334	Meters and Meter Installations	18603	5%	930.15
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>70544</b>	<b>5%</b>	<b>3439.70</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

**COMPANY NAME: Rillito Water Users Association****BALANCE SHEET**

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$8506.67	\$6610.23
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	0	22922.01
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	(798.36)	(1344.75)
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$7708.31</b>	<b>\$8187.49</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$98055	\$70544
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	27111	3439.70
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$70944</b>	<b>\$67104.30</b>
	<b>TOTAL ASSETS</b>	<b>\$78652.31</b>	<b>\$75291.79</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$798.36	\$1344.75
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	0	2922.01
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$798.36</b>	<b>\$1577.26</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$5304.00	\$3205.68
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$0</b>	<b>\$0</b>
	<b>TOTAL LIABILITIES</b>	<b>\$6102.36</b>	<b>\$4782.94</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	72549.95	70508.85
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$72549.95</b>	<b>\$70508.85</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$78652.31</b>	<b>\$75291.79</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$11966.74	\$ 21195.31
460	Un-metered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	<b>\$11966.74</b>	<b>\$ 21195.31</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$2566.79	\$ 2040.00
610	Purchased Water		
615	Purchased Power	1870.16	3336.93
618	Chemicals		
620	Repairs and Maintenance	500	0
621	Office Supplies and Expense	1900	1026.71
630	Outside Services		
635	Water Testing	870	2140
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	900	500
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	771.39	0
675	Miscellaneous Expense	54.68	3000.00
403	Depreciation Expense		
408	Taxes Other Than Income	192.55	1282.29
408.11	Property Taxes	1229.81	586.61
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$10855.38</b>	<b>\$ 13912.54</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$1111.36</b>	<b>\$7282.77</b>
	<b>OTHER INCOME/ (EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/ (EXPENSE)</b>	<b>\$0</b>	<b>\$0</b>
	<b>NET INCOME/ (LOSS)</b>	<b>\$1111.36</b>	<b>\$ 7282.77</b>



**COMPANY NAME: Rillito Water Users Association**

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
<b>Date Issued</b>	08-04-67			
<b>Source of Loan</b>	United States Department of Agriculture			
<b>ACC Decision No.</b>				
<b>Reason for Loan</b>	Drill Well			
<b>Dollar Amount Issued</b>	\$24900	\$	\$	\$
<b>Amount Outstanding</b>	\$5304	\$	\$	\$
<b>Date of Maturity</b>	08/01/2007			
<b>Interest Rate</b>	5 %	%	%	%
<b>Current Year Interest</b>	\$265.20	\$	\$	\$
<b>Current Year Principle</b>	\$3000.00	\$	\$	\$

Meter Deposit Balance at Test Year End                      \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year                      \$ \_\_\_\_\_

**COMPANY NAME: Rillito Water Users Association**

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
504409	10	100	10	3		1967
606066	10	100	10	3		1967

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
3	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
20,000	1	5,000	1

**COMPANY NAME: Rillito Water Users Association**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	AC	1680
3	AC	4880
4		
5		
6		
8		
10		
12		
3	Stool	350

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	82
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

Contracted to: YL Technology P.O.Box 390, Sahuarita, AZ. 85629 (520) 625-1671

**STRUCTURES:**

Six foot chain link fence around Well # 1 and storage tanks.

Six foot chain link fence around Well # 2.

Storage building at Well # 1 site.

**OTHER:**

**COMPANY NAME: Rillito Water Users Association**

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD</b>	<b>GALLON PUMPED (Thousands)</b>
<b>JANUARY</b>	65	419,688	
<b>FEBRUARY</b>	65	470,339	
<b>MARCH</b>	65	502,859	
<b>APRIL</b>	65	478,779	
<b>MAY</b>	65	619,660	
<b>JUNE</b>	65	807,390	
<b>JULY</b>	65	1,043,692	
<b>AUGUST</b>	65	955,890	
<b>SEPTEMBER</b>	65	826,940	
<b>OCTOBER</b>	65	576,610	
<b>NOVEMBER</b>	65	524,040	
<b>DECEMBER</b>	65	405,120	
<b>TOTAL</b>			

7,631,007

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☐ Yes

☒ No

**Does the Company have an ADWR Gallons Per Capita per Day (GPCPD) requirement?**

☐ Yes

☒ No

**If yes, provide the GPCPD amount: \_\_\_\_\_**

**What is the level of arsenic for each well on your system? 0.05 mg/l**

*(If more than one well, please list each separately.)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME: Rillito Water Users Association

YEAR ENDING 2/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 586.61

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME Rillito Water Users Association

YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported N/A  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Jesse McKnight  
SIGNATURE

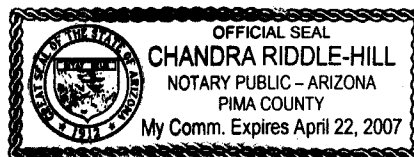
6-1-06  
DATE

Jesse McKnight  
PRINTED NAME

President  
TITLE

STATE OF ARIZONA } ss.  
COUNTY OF PIMA

This instrument was acknowledged by me this 1st day of June, 2006, in Phoenix, Arizona.  
In witness whereof, I hereunto set my hand and official seal.  
Chandra Riddle-Hill NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

JUN 02 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) <b>Pima</b>	
NAME (OWNER OR OFFICIAL) <b>Jesse McKnight</b>	TITLE <b>President</b>
COMPANY NAME <b>Rillito Water Users Association</b>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

<b>MONTH</b> 12	<b>DAY</b> 31	<b>YEAR</b> 2003
--------------------	------------------	---------------------

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**


**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:**

<b>ARIZONA INTRASTATE GROSS OPERATING REVENUES</b>  <b>\$ <u>21195.31</u></b>
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**(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1282.29  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL  
**(520) 682-4240**  
TELEPHONE NUMBER

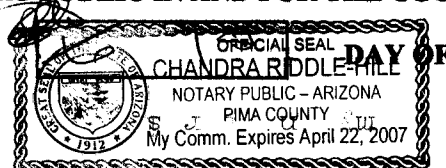
**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

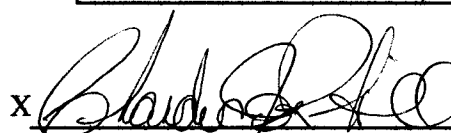
**(SEAL)**

**MY COMMISSION EXPIRES**



**April 22, 2007**

NOTARY PUBLIC NAME <b>Chandra Riddle-Hill</b>	
COUNTY NAME <b>PIMA</b>	
MONTH <b>JUNE</b>	DAY <b>1</b> , YEAR <b>2006</b>

**X**   
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

JUN 02 2006

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <b>Pima</b>		<b>AZ CORPORATION COMMISSION</b> <b>DIRECTOR OF UTILITIES</b> TITLE <b>President</b>
NAME (OWNER OR OFFICIAL) <b>Jesse McKnight</b>		
COMPANY NAME <b>Rillito Water Users Association</b>		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2003

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**


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<b>ARIZONA INTRASTATE GROSS OPERATING REVENUES</b>
<b>\$ <u>21195.31</u></b>

**(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1282.29  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

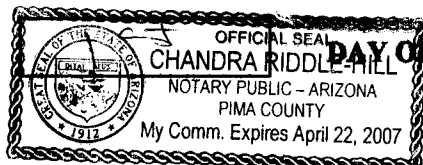
  
SIGNATURE OF OWNER OR OFFICIAL  
  
(520) 682-4240  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

**(SEAL)**



**MY COMMISSION EXPIRES**

*April 22, 2007*

NOTARY PUBLIC NAME <b>Chandra Riddle-Hill</b>	
COUNTY NAME	
MONTH <b>June</b>	.20 <b>02</b>

  
SIGNATURE OF NOTARY PUBLIC



May 27, 2006

To: Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

**RECEIVED**

JUN 01 2006

ARIZONA CORP. COMM  
TUCSON, AZ

From: Rillito Water Users Association  
Attn: Juanita A. Carbajal  
P.O. Box 668  
Rillito, Arizona 85654

Subject: Letter of Explanation regarding Annual Reports 2002, 2003, 2004, 2005

Dear Sir/ Maam,

This letter is to explain a series of events that have left the Rillito Water Users Association in a state of distress. This has had a direct affect of reports not being filed in a timely manner, erroneous record keeping, and mishandling of funds. Currently, the Rillito Water Users Association is under a reorganization process and the new members are working diligently to restore the association to compliance with all responsible parties.

In January of 2002 the official board members were President Jesse McKnight, Vice President Ambrosio Altamirano, Treasurer Patricia Gremmler, Secretary Laura Washington, and Water Meter Reader/ Member at large Juanita A. Carbajal. Due to miscommunication and turmoil between board members, Patricia Gremmler and Jesse McKnight chose to conduct most of the affairs regarding the Rillito Water Users Association, in private. Records were not kept current due to a long period of illness with Patricia Gremmler, among a host of personal problems. The community is saddened to report that on April 13, 2005 Patricia Gremmler and Carl Gremmler (husband) were tragically and brutally murdered by their mentally ill, grandson. Jesse McKnight resigned his position as president of the board in June of 2005, due to ailing health. Furthermore, on October 28, 2005 Ambrosio Altamirano died of natural causes. Also, in January of 2006, Laura Washington succumbed to a long battle with cancer, and died.

As you can surmise, the Rillito Water Users Association's board has been decimated. However, a new group of individuals have stepped forward to try to reestablish the association to compliance. The new board members are President Roberta Phillips, Vice President Armando Yrigolla, Treasurer/ Secretary Juanita A. Carbajal, and member David Altamirano. To date the new board has corrected erroneous property titles, have updated and paid all delinquent operating bills to include sales taxes, property taxes, loan balances, maintenance costs, insurances, water testing requirements, billing, and records documentation (as of the new board's inception). We pray that your office will grant leniency and understanding of our plight, as we reorganize and bring our water association into compliance. Your office can expect the annual report for 2002 by Friday May 12, 2006. The annual report for 2003 will be completed by Friday, May 19, 2006. The annual report for 2004 will be completed by Friday, May 26, 2006. Finally, the annual report for 2005 will be completed by Friday, June 2, 2006. Please respond and remain patient as we are working feverishly to come into compliance and remain in compliance, hence forward. Your attention and understanding are appreciated.

Sincerely,

*Juanita Carbajal*

Juanita A. Carbajal  
Treasurer/ Secretary

**RECEIVED**

JUN 02 2006

AZ CORP COMM  
Director Utilities